

2009 -- H 6099

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2009

A N A C T

RELATING TO INSURANCE - EXTENDED MEDICAL BENEFITS

Introduced By: Representatives Kennedy, Melo, Mattiello, E Coderre, and Baldelli-Hunt

Date Introduced: April 08, 2009

Referred To: House read and passed

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-19.1-1 of the General Laws in Chapter 27-19.1 entitled
2 "Extended Medical Benefits" is hereby amended to read as follows:

3 **27-19.1-1. Medical benefits for those who lose eligibility to participate.** -- (a)

4 Whenever the employment of an insured member of a group hospital, surgical, or medical
5 insurance plan is terminated because of involuntary layoff or death, or as a result of the
6 workplace ceasing to exist, or the permanent reduction in size of the workforce, the benefits of
7 the plan may be continued as provided in this section for a period of up to eighteen (18) months
8 from the termination date of the insured member, but in any event not to exceed the shorter of the
9 period which represents the period of continuous employment preceding termination with the
10 employer under whose contract the member is insured or the time from the termination date of the
11 insured member until the member, surviving spouse of a deceased member, and any other
12 dependent(s) of the member who were covered under the plan, becomes employed by another
13 group and eligible for benefits under another group plan.

14 (b) The extended coverage for the period defined in subsection (a) of this section shall be
15 available to the terminated member the surviving spouse of a deceased member, and any other
16 dependent(s) of the member who were covered under the plan, at the same monthly premium rate
17 or subscription fee for the group in which he or she was previously a member or at a monthly
18 premium rate or subscription fee as may be in effect from time to time for the same group
19 subsequent to his or her qualification under subsection (a) of this section. The terminated

1 member, the surviving spouse of a deceased member, and any other dependent(s) of the member
2 who were covered under the plan, shall not be required to pay more than a monthly premium rate
3 or subscription fee per month at one time.

4 (c) The involuntarily laid off member or other member qualifying under subsection (a) of
5 this section, the surviving spouse of a deceased member, and any other dependent(s) of the
6 member who were covered under the plan, may elect to continue participation in the group plan
7 within thirty (30) days after the member's qualification under subsection (a) of this section. The
8 involuntarily laid off member, the surviving spouse of a deceased member, and any other
9 dependent(s) of the member who were covered under the plan shall be responsible for the
10 payment of monthly premiums rates or subscription fees directly to the carrier of the surgical,
11 hospital, or medical insurance plan, or the group plan's agent or insurance producer, throughout
12 the extended coverage period, if the member had been covered under a group plan consisting of
13 fifty (50) members or less. Those leaving group plans with more than fifty (50) members shall be
14 responsible directly to the employer for the payment of monthly premiums rates or subscription
15 fees, or directly to the carrier if the workplace ceases to exist. The terminated member, the
16 surviving spouse of a deceased member, and any other dependent(s) of the member who were
17 covered under the plan, shall not be required to pay more than a monthly premium rate or
18 subscription fee per month at one time.

19 (d) After timely receipt of the monthly premium rate or subscription fee, as defined in
20 this subsection, from the qualifying member, the surviving spouse of a deceased member, and any
21 other dependent(s) of the member who were covered under the plan, if the employer fails to make
22 payment to the carrier with the result that coverage is terminated, the employer shall be liable for
23 benefits to the same extent as the carrier would have been liable if coverage had not been
24 terminated. "Timely receipt" of the monthly premium payment means the employer's receipt of
25 the monthly premium rate or subscription fee for the extended coverage from the qualifying
26 member, the surviving spouse of a deceased member, and any other dependent(s) of the member
27 who were covered under the plan within the dates or by the date indicated by the employer as a
28 requirement of this chapter at the time of the election of the extended coverage. This subsection
29 shall not apply to an employer whose workplace ceases to exist.

30 (e) Upon termination of the extended coverage period, the qualifying member, the
31 surviving spouse of a deceased member, and any other dependent(s) of the member who were
32 covered under the plan shall be entitled to exercise any option which is provided in the group plan
33 to elect a converted policy.

34 (f) All employers who provide their employees a group hospital, surgical, or medical

1 insurance plan shall post a conspicuous notice to the employees of their options under the
2 provisions of this chapter.

3 (g) "Group hospital, surgical, or medical insurance plan" as used herein in this section
4 includes any service plan contract of a medical or health service plan corporation. "Carrier" as
5 used in this section means shall mean any insurance company which is the insurer of the group
6 hospital, surgical, or medical plan or the medical or health service plan corporation which
7 provides the group service plan contract, either of which an employer provides for his or her
8 employees.

9 (h) This chapter shall not apply to an employee who is employed in the construction
10 industry or his or her employer if the employee, at the time benefits could be selected under this
11 chapter, is a participant in, and the employer is a contributor to, a multi-employer welfare plan as
12 defined in 29 U.S.C. section 1301 et seq., and which the internal revenue service has determined
13 is tax exempt as to contributions received and as to benefits received by its participants.

14 (i) Notwithstanding any section to the contrary, any member who qualified for the
15 extended coverage as defined in subsection (a) on or after September 1, 2008 but who declined to
16 elect coverage within the timeframe as described within subsection (c) may elect, no later than
17 May 1, 2009, to resume coverage under this section. Coverage elected under this subsection shall
18 commence March 1, 2009 and may be continued as defined in subsection (a).

19 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO INSURANCE - EXTENDED MEDICAL BENEFITS

- 1 This act would provide a method to resume extended medical coverage when a person
- 2 has declined to elect coverage within the timeframe provided.
- 3 This act would take effect upon passage.

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